



ANNUAL STATEMENT
For the Year Ending DECEMBER 31, 2017
OF THE CONDITION AND AFFAIRS OF THE
TOTAL HEALTH CARE USA, INC.

NAIC Group Code	1238 (Current Period)	1238 (Prior Period)	NAIC Company Code	12326	Employer's ID Number	38-3240485
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	MI		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[] Dental Service Corporation[] Other[]		Property/Casualty[] Vision Service Corporation[] Is HMO Federally Qualified? Yes[] No[X] N/A[]		Hospital, Medical & Dental Service or Indemnity[] Health Maintenance Organization[X]	
Incorporated/Organized	02/18/1994		Commenced Business	02/18/1994		
Statutory Home Office	3011 W. GRAND BLVD., SUITE 1600 (Street and Number)		DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)			
Main Administrative Office			3011 W. GRAND BLVD., SUITE 1600 (Street and Number)			
	DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Mail Address	3011 W. GRAND BLVD., SUITE 1600 (Street and Number or P.O. Box)		DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records			3011 W. GRAND BLVD., SUITE 1600 (Street and Number)			
	DETROIT, MI, US 48202 (City or Town, State, Country and Zip Code)		(313)871-2000 (Area Code) (Telephone Number)			
Internet Website Address	THCMI.COM					
Statutory Statement Contact	NICOLE ROUSH, CFO (Name)		(313)871-6402 (Area Code)(Telephone Number)(Extension)			
	NROUSH@THCMI.COM (E-Mail Address)		(313)871-4762 (Fax Number)			

OFFICERS

Name	Title
RANDY NAROWITZ	EXECUTIVE DIRECTOR
GERTRUDE HELEN MINKIEWICZ	V-CHAIRPERSON/SECRETARY
DOUGLAS PAUL BAKER	CHAIRPERSON/TREASURER
ROBYN JAMES ARRINGTON JR., M.D.	MEDICAL DIRECTOR

OTHERS

DIRECTORS OR TRUSTEES

DOUGLAS PAUL BAKER
GERTRUDE HELEN MINKIEWICZ
RUBY OCTAVIA COLE

State of Michigan
County of WAYNE ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) RANDY NAROWITZ (Printed Name) 1. EXECUTIVE DIRECTOR (Title)	(Signature) NICOLE ROUSH (Printed Name) 2. CHIEF FINANCIAL OFFICER (Title)	(Signature) DOUGLAS PAUL BAKER (Printed Name) 3. CHAIRPERSON/TREASURER (Title)
Subscribed and sworn to before me this day of , 2018	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[]
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D)	995,850		995,850	1,000,540
2.	Stocks (Schedule D):				
2.1	Preferred stocks				
2.2	Common Stocks				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances)				
4.2	Properties held for the production of income (less \$.....0 encumbrances)				
4.3	Properties held for sale (less \$.....0 encumbrances)				
5.	Cash (\$.....63,187,392, Schedule E Part 1), cash equivalents (\$.....611,162, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	63,798,554		63,798,554	50,804,155
6.	Contract loans (including \$.....0 premium notes)				
7.	Derivatives (Schedule DB)				
8.	Other invested assets (Schedule BA)				
9.	Receivables for securities				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL)				
11.	Aggregate write-ins for invested assets				
12.	Subtotals, cash and invested assets (Lines 1 to 11)	64,794,404		64,794,404	51,804,695
13.	Title plants less \$.....0 charged off (for Title insurers only)				
14.	Investment income due and accrued	131,266		131,266	47,741
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection	1,079,517	25,075	1,054,442	866,872
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3	Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)	589,310		589,310	1,303,132
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers	367,082	80,296	286,786	516,587
16.2	Funds held by or deposited with reinsured companies				
16.3	Other amounts receivable under reinsurance contracts				
17.	Amounts receivable relating to uninsured plans				
18.1	Current federal and foreign income tax recoverable and interest thereon				
18.2	Net deferred tax asset				
19.	Guaranty funds receivable or on deposit				
20.	Electronic data processing equipment and software				
21.	Furniture and equipment, including health care delivery assets (\$.....0)				
22.	Net adjustment in assets and liabilities due to foreign exchange rates				
23.	Receivables from parent, subsidiaries and affiliates	69		69	16,200
24.	Health care (\$.....646,091) and other amounts receivable	897,350	251,259	646,091	799,138
25.	Aggregate write-ins for other than invested assets	74,174	59,652	14,522	57,781
26.	TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	67,933,172	416,282	67,516,890	55,412,146
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28.	TOTAL (Lines 26 and 27)	67,933,172	416,282	67,516,890	55,412,146
DETAILS OF WRITE-INS					
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501.	Prepaid	59,652	59,652		
2502.	AR - Other	14,522		14,522	57,781
2503.	Deferred PPACA Fees				
2598.	Summary of remaining write-ins for Line 25 from overflow page				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	74,174	59,652	14,522	57,781

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded)	10,280,811		10,280,811	15,844,930
2.	Accrued medical incentive pool and bonus amounts	942,920		942,920	219,112
3.	Unpaid claims adjustment expenses	176,000		176,000	227,436
4.	Aggregate health policy reserves, including the liability of \$.....3,964,189 for medical loss ratio rebate per the Public Health Service Act	4,723,189		4,723,189	3,884,095
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	4,867,192		4,867,192	4,488,325
9.	General expenses due or accrued	686,828		686,828	807,666
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				23,207
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Derivatives				
17.	Payable for securities				
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified (\$.....0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including \$.....0 current)				
24.	TOTAL Liabilities (Lines 1 to 23)	21,676,940		21,676,940	25,494,771
25.	Aggregate write-ins for special surplus funds	X X X	X X X	1,712,053	
26.	Common capital stock	X X X	X X X		
27.	Preferred capital stock	X X X	X X X		
28.	Gross paid in and contributed surplus	X X X	X X X	6,273,089	6,273,089
29.	Surplus notes	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
31.	Unassigned funds (surplus)	X X X	X X X	37,854,808	23,644,286
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0)	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	45,839,950	29,917,375
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	X X X	X X X	67,516,890	55,412,146
DETAILS OF WRITE-INS					
2301.	.....			
2302.	.....			
2303.	.....			
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)				
2501.	.....	X X X	X X X		
2502.	2017 ACA Fee Assessment payable in 2018	X X X	X X X	1,712,053	
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X	1,712,053	
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	426,045	401,772
2.	Net premium income (including \$.....0 non-health premium income)	X X X	145,253,926	134,440,776
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of \$.....0 medical expenses)	X X X		
5.	Risk revenue	X X X	2,793,565	4,837,462
6.	Aggregate write-ins for other health care related revenues	X X X		
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	148,047,491	139,278,238
Hospital and Medical:				
9.	Hospital/medical benefits		67,369,543	72,794,331
10.	Other professional services		6,804,915	6,296,513
11.	Outside referrals			
12.	Emergency room and out-of-area		11,230,397	9,958,355
13.	Prescription drugs		22,762,214	19,855,999
14.	Aggregate write-ins for other hospital and medical			5,644
15.	Incentive pool, withhold adjustments and bonus amounts		197,728	(534,587)
16.	Subtotal (Lines 9 to 15)		108,364,797	108,376,255
Less:				
17.	Net reinsurance recoveries		318,368	682,503
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		108,046,429	107,693,752
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including \$.....355,613 cost containment expenses		355,613	333,155
21.	General administrative expenses		24,625,098	24,755,105
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		133,027,140	132,782,012
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	15,020,351	6,496,226
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		453,021	201,928
26.	Net realized capital gains (losses) less capital gains tax of \$.....0			
27.	Net investment gains (losses) (Lines 25 plus 26)		453,021	201,928
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]			
29.	Aggregate write-ins for other income or expenses			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	15,473,372	6,698,154
31.	Federal and foreign income taxes incurred	X X X		
32.	Net income (loss) (Lines 30 minus 31)	X X X	15,473,372	6,698,154
DETAILS OF WRITE-INS				
0601.	.....	X X X		
0602.	.....	X X X		
0603.	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X		
0701.	.....	X X X		
0702.	.....	X X X		
0703.	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Clinical Incentive			5,644
1402.	.....		
1403.	Other Expense			
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			5,644
2901.	.....		
2902.	.....		
2903.	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	29,917,375	23,439,225
34.	Net income or (loss) from Line 32	15,473,372	6,698,154
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		
39.	Change in nonadmitted assets	449,203	(220,004)
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
44.1	Paid in		
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus		
48.	Net change in capital and surplus (Lines 34 to 47)	15,922,575	6,478,150
49.	Capital and surplus end of reporting year (Line 33 plus 48)	45,839,950	29,917,375
DETAILS OF WRITE-INS			
4701.	.....	
4702.	.....	
4703.	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	146,975,034	131,256,315
2.	Net investment income	369,496	190,037
3.	Miscellaneous income	3,297,103	5,084,159
4.	TOTAL (Lines 1 through 3)	150,641,633	136,530,511
5.	Benefit and loss related payments	112,572,671	106,893,089
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	25,152,985	25,646,164
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)		
10.	TOTAL (Lines 5 through 9)	137,725,656	132,539,253
11.	Net cash from operations (Line 4 minus Line 10)	12,915,977	3,991,258
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	999,000	
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds	5,690	
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	1,004,690	
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	1,000,000	
13.2	Stocks		
13.3	Mortgage loans		
13.4	Real estate		
13.5	Other invested assets		
13.6	Miscellaneous applications		4,061
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	1,000,000	4,061
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	4,690	(4,061)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	73,732	(1,230,039)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	73,732	(1,230,039)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	12,994,399	2,757,158
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	50,804,155	48,046,997
19.2	End of year (Line 18 plus Line 19.1)	63,798,554	50,804,155

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....	
20.0002	.....	

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income	145,253,926	145,253,926								
2.	Change in unearned premium reserves and reserve for rate credit										
3.	Fee-for-service (net of \$.....0 medical expenses)										X X X
4.	Risk revenue	2,793,565	2,793,565								X X X
5.	Aggregate write-ins for other health care related revenues										X X X
6.	Aggregate write-ins for other non-health care related revenues		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6)	148,047,491	148,047,491								
8.	Hospital/medical benefits	67,369,543	67,369,543								X X X
9.	Other professional services	6,804,915	6,804,915								X X X
10.	Outside referrals										X X X
11.	Emergency room and out-of-area	11,230,397	11,230,397								X X X
12.	Prescription drugs	22,762,214	22,762,214								X X X
13.	Aggregate write-ins for other hospital and medical										X X X
14.	Incentive pool, withhold adjustments and bonus amounts	197,728	197,728								X X X
15.	Subtotal (Lines 8 to 14)	108,364,797	108,364,797								X X X
16.	Net reinsurance recoveries	318,368	318,368								X X X
17.	TOTAL Hospital and Medical (Lines 15 minus 16)	108,046,429	108,046,429								X X X
18.	Non-health claims (net)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....355,613 cost containment expenses	355,613	355,613								
20.	General administrative expenses	24,625,098	24,625,098								
21.	Increase in reserves for accident and health contracts										X X X
22.	Increase in reserves for life contracts		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22)	133,027,140	133,027,140								
24.	Net underwriting gain or (loss) (Line 7 minus Line 23)	15,020,351	15,020,351								
DETAILS OF WRITE-INS											
0501.	.....										X X X
0502.	.....										X X X
0503.	.....										X X X
0598.	Summary of remaining write-ins for Line 5 from overflow page										X X X
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)										X X X
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	Clinical Incentive										X X X
1302.	.....										X X X
1303.	.....										X X X
1398.	Summary of remaining write-ins for Line 13 from overflow page										X X X
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										X X X

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical)	145,874,742		620,816	145,253,926
2.	Medicare Supplement				
3.	Dental only				
4.	Vision only				
5.	Federal Employees Health Benefits Plan				
6.	Title XVIII - Medicare				
7.	Title XIX - Medicaid				
8.	Other health				
9.	Health subtotal (Lines 1 through 8)	145,874,742		620,816	145,253,926
10.	Life				
11.	Property/casualty				
12.	TOTALS (Lines 9 to 11)	145,874,742		620,816	145,253,926

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	112,886,740	112,886,740								
1.2 Reinsurance assumed										
1.3 Reinsurance ceded	632,437	632,437								
1.4 Net	112,254,303	112,254,303								
2. Paid medical incentive pools and bonuses	(526,080)	(526,080)								
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	10,280,811	10,280,811								
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	10,280,811	10,280,811								
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	942,920	942,920								
6. Net healthcare receivables (a)	(844,448)	(844,448)								
7. Amounts recoverable from reinsurers December 31, current year	367,082	367,082								
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	15,844,930	15,844,930								
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	15,844,930	15,844,930								
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	219,112	219,112								
11. Amounts recoverable from reinsurers December 31, prior year	681,151	681,151								
12. Incurred benefits:										
12.1 Direct	108,167,069	108,167,069								
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	318,368	318,368								
12.4 Net	107,848,701	107,848,701								
13. Incurred medical incentive pools and bonuses	197,728	197,728								

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	2,285,397	2,285,397								
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	2,285,397	2,285,397								
2. Incurred but Unreported:										
2.1 Direct	7,995,414	7,995,414								
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	7,995,414	7,995,414								
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct										
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net										
4. TOTALS										
4.1 Direct	10,280,811	10,280,811								
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	10,280,811	10,280,811								

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	13,043,743	100,369,077	171,453	10,109,358	13,215,196	15,844,930
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare						
7.	Title XIX - Medicaid						
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	13,043,743	100,369,077	171,453	10,109,358	13,215,196	15,844,930
10.	Healthcare receivables (a)						
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	79,071	(605,151)	154,194	788,726	233,265	219,112
13.	TOTALS (Lines 9 - 10 + 11 + 12)	13,122,814	99,763,926	325,647	10,898,084	13,448,461	16,064,042

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	8,877	8,950	9,029	9,020	9,020
2.	2013	86,407	96,657	97,012	97,018	96,993
3.	2014	X X X	112,477	127,095	127,292	127,509
4.	2015	X X X	X X X	105,214	119,670	120,025
5.	2016	X X X	X X X	X X X	94,041	106,538
6.	2017	X X X	X X X	X X X	X X X	100,369

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,448	8,953	9,029	9,020	9,020
2.	2013	96,583	96,978	97,014	97,018	96,992
3.	2014	X X X	129,521	127,197	127,299	127,514
4.	2015	X X X	X X X	121,595	120,151	120,034
5.	2016	X X X	X X X	X X X	109,618	106,850
6.	2017	X X X	X X X	X X X	X X X	111,267

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	114,812	96,993	271	0.279	97,264	84.716	(1)		97,263	84.715
2.	2014	160,531	127,509	359	0.282	127,868	79.653	5		127,873	79.656
3.	2015	154,901	120,025	384	0.320	120,409	77.733	9		120,418	77.739
4.	2016	139,278	106,538	333	0.313	106,871	76.732	312	5	107,188	76.960
5.	2017	148,047	100,369	304	0.303	100,673	68.001	10,898	171	111,742	75.477

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (\$000 Omitted)

Hospital and Medical
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	8,877	8,950	9,029	9,020	9,020
2.	2013	86,407	96,657	97,012	97,018	96,993
3.	2014	X X X	112,477	127,095	127,292	127,509
4.	2015	X X X	X X X	105,214	119,670	120,025
5.	2016	X X X	X X X	X X X	94,041	106,538
6.	2017	X X X	X X X	X X X	X X X	100,369

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2013	2 2014	3 2015	4 2016	5 2017
1.	Prior	2,448	8,953	9,029	9,020	9,020
2.	2013	96,583	96,978	97,014	97,018	96,992
3.	2014	X X X	129,521	127,197	127,299	127,514
4.	2015	X X X	X X X	121,595	120,151	120,034
5.	2016	X X X	X X X	X X X	109,618	106,850
6.	2017	X X X	X X X	X X X	X X X	111,267

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2013	114,812	96,993	271	0.279	97,264	84.716	(1)		97,263	84.715
2.	2014	160,531	127,509	359	0.282	127,868	79.653	5		127,873	79.656
3.	2015	154,901	120,025	384	0.320	120,409	77.733	9		120,418	77.739
4.	2016	139,278	106,538	333	0.313	106,871	76.732	312	5	107,188	76.960
5.	2017	148,047	100,369	304	0.303	100,673	68.001	10,898	171	111,742	75.477

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . .	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . .	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XIX-Medicaid	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XIX-Medicaid	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XIX-Medicaid	NONE
12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other	NONE
12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other	NONE
12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other	NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves									
2. Additional policy reserves (a)									
3. Reserve for future contingent benefits									
4. Reserve for rate credits or experience rating refunds (including \$.....0 for investment income)									
5. Aggregate write-ins for other policy reserves	4,723,189	4,723,189							
6. TOTALS (Gross)	4,723,189	4,723,189							
7. Reinsurance ceded									
8. TOTALS (Net) (Page 3, Line 4)	4,723,189	4,723,189							
9. Present value of amounts not yet due on claims									
10. Reserve for future contingent benefits									
11. Aggregate write-ins for other claim reserves									
12. TOTALS (Gross)									
13. Reinsurance ceded									
14. TOTALS (Net) (Page 3, Line 7)									
DETAILS OF WRITE-INS									
0501. Risk Adjustment payable	759,000	759,000							
0502.									
0503. Medical Loss Ratio Rebate Payable	3,964,189	3,964,189							
0598. Summary of remaining write-ins for Line 5 from overflow page									
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	4,723,189	4,723,189							
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page ..									
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) ..									

(a) Includes \$.....0 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building)			82,708		82,708
2.	Salaries, wages and other benefits	355,613		3,507,744		3,863,357
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed)			4,632,076		4,632,076
4.	Legal fees and expenses			218,947		218,947
5.	Certifications and accreditation fees			325,461		325,461
6.	Auditing, actuarial and other consulting services			325,461		325,461
7.	Traveling expenses			289,299		289,299
8.	Marketing and advertising			8,618,784		8,618,784
9.	Postage, express and telephone			542,435		542,435
10.	Printing and office supplies			759,409		759,409
11.	Occupancy, depreciation and amortization			650,922		650,922
12.	Equipment			180,812		180,812
13.	Cost or depreciation of EDP equipment and software					
14.	Outsourced services including EDP, claims, and other services			1,454,252		1,454,252
15.	Boards, bureaus and association fees			72,324		72,324
16.	Insurance, except on real estate			536,586		536,586
17.	Collection and bank service charges			72,324		72,324
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes					
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes					
23.2	State premium taxes					
23.3	Regulatory authority licenses and fees			2,210,905		2,210,905
23.4	Payroll taxes			144,649		144,649
23.5	Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses					
26.	TOTAL Expenses Incurred (Lines 1 to 25)	355,613		24,625,098		(a) 24,980,711
27.	Less expenses unpaid December 31, current year			686,828		686,828
28.	Add expenses unpaid December 31, prior year			807,666		807,666
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	355,613		24,745,936		25,101,549
DETAILS OF WRITE-INS						
2501.	.....				
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. Government bonds	(a) .....	.....
1.1	Bonds exempt from U.S. tax	(a)..... 11,966	..... 7,476
1.2	Other bonds (unaffiliated)	(a) .....	.....
1.3	Bonds of affiliates	(a) .....	.....
2.1	Preferred stocks (unaffiliated)	(b) .....	.....
2.11	Preferred stocks of affiliates	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans	(c) .....	.....
4.	Real estate	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments	(e)..... 364,701	..... 445,545
7.	Derivative instruments	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	TOTAL Gross investment income .....	..... 376,667	..... 453,021
11.	Investment expenses .....	.....	(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	.....	(g)
13.	Interest expense .....	.....	(h)
14.	Depreciation on real estate and other invested assets .....	.....	(i)
15.	Aggregate write-ins for deductions from investment income .....	.....	.....
16.	TOTAL Deductions (Lines 11 through 15) .....	.....	.....
17.	Net Investment income (Line 10 minus Line 16) .....	.....	..... 453,021
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.			
(c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(d) Includes \$.....0 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.			
(e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.			
(f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.			
(g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.			
(i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	TOTAL Capital gains (losses) .....	.....	.....	.....	.....	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page ..	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) ..	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
2.1	Preferred stocks			
2.2	Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens			
3.2	Other than first liens			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company			
4.2	Properties held for the production of income			
4.3	Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection	25,075	1,970	(23,105)
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3	Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers	80,296	164,564	84,268
16.2	Funds held by or deposited with reinsured companies			
16.3	Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset			
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software			
21.	Furniture and equipment, including health care delivery assets			
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable	251,259	601,750	350,491
25.	Aggregate write-ins for other than invested assets	59,652	97,201	37,549
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	416,282	865,485	449,203
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	416,282	865,485	449,203
DETAILS OF WRITE-INS				
1101.	.....		
1102.	.....		
1103.	.....		
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Other Receivable	59,652	97,201	37,549
2502.	.....		
2503.	.....		
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	59,652	97,201	37,549

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations	31,590	34,097	33,667	32,274	31,696	395,216
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service	1,197	2,493	2,547	2,602	2,652	30,829
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	32,787	36,590	36,214	34,876	34,348	426,045
DETAILS OF WRITE-INS							
0601.	.....					
0602.	.....					
0603.	.....					
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Nature of Business and Summary of Significant Accounting Policies

Total Health Care USA, Inc. (the "Company"), a not-for-profit corporation and wholly owned subsidiary of Total Health Care, Inc., operates as a state-licensed health maintenance organization (HMO). The Company provides medical services to persons primarily in southeastern Michigan who subscribe as part of an employer group or as individuals.

a. Accounting Practices

The accompanying financial statements of Total Health Care USA, Inc. (the “Company” or “THC”) have been prepared in conformity with statutory accounting practices prescribed or permitted by Section 1007 of the Michigan statutes of the state of Michigan for determining and reporting the financial conditions and results of operations of an insurance company for determining its solvency under Michigan Insurance law. The National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual, (“NAIC SAP”) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

Statutory accounting principles differ from generally accepted accounting principles (GAAP) in their definition of assets and liabilities. Specifically, certain assets (such as certain receivables from affiliates) are excluded from the statutory-basis balance sheet. GAAP net assets exceed statutory net assets by approximately \$416,000 and \$865,000 at December 31, 2017 and December 31, 2016, respectively. There are no significant differences between statutory accounting principles prescribed by NAIC and the State of Michigan accounting requirements that are applicable to the Company.

A reconciliation of the Company’s net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Michigan is shown below:

NET INCOME		<u>SSAP #</u>	<u>F/S Page</u>	<u>F/S Line #</u>	<u>2017</u>	<u>2016</u>
(1) Total Health Care USA state basis (Page 4, Line32, Columns 2 & 3)		XXX	XXX	XXX	15,473,372	6,698,154
(2) State Prescribed Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(3) State Permitted Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(4) NAIC SAP	(1-2-3=4)	XXX	XXX	XXX	15,473,372	6,698,154
SURPLUS						
(5) Total Health Care USA state basis (Page 3, Line 33, Columns 3 & 4)		XXX	XXX	XXX	45,839,950	29,917,375
(6) State Prescribed Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(7) State Permitted Practices that increase (decrease) NAIC SAP:		N/A	N/A	N/A	-	-
(8) NAIC SAP	(5-6-7=8)	XXX	XXX	XXX	45,839,950	29,917,375

b. Use of Estimates in the Preparation of the Financial Statements.

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Certain significant estimates exist relating to unpaid claims. It is at least reasonably possible that these estimates will be materially revised in the near term.

Notes to Financial Statements

c. Accounting Policy

Cash and Short-term Investments - The Company considers all highly liquid investments purchased with an original maturity of three months or less when purchased to be cash equivalents. Certificates of deposit in banks or other similar financial institutions with maturity dates of one year or less from the acquisition date are considered cash under statutory accounting principles. Short-term investments are stated at amortized cost.

In addition, the Company uses the following accounting policies:

(1) Short-term investments and long-term certificates of deposit are recorded at amortized cost, which approximates fair market value. Long-term certificates of deposit are classified as bonds on the balance sheet per statutory guidance. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in net investment income on the statement of operations. Changes in unrealized gains and losses on investments are included as a direct adjustment to capital and surplus.

(2) Bonds are not backed by other loans and are stated at amortized cost using the interest method.

(3) The Company had no common stock.

(4) The Company had no preferred stock.

(5) The Company had no mortgage loans.

(6) The Company had no loan-backed securities.

(7) The Company had no subsidiaries, controlled or affiliated investments.

(8) The Company had no joint ventures of limited partnerships.

(9) The Company had no derivatives.

(10) The Company does not utilize anticipated investment income as a factor in the premium deficiency calculation.

(11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

(12) The Company has not modified its capitalization policy from the prior period.

(13) The Company's pharmaceutical rebate receivables are estimated based prior period actual receipts.

Revenue Recognition and Accounts Receivable - Subscriber premiums are recognized in the period that members are entitled to related health care services. A substantial portion of health premiums due and unpaid is due from third-party payers for subscribers located within southeastern Michigan. Health premiums due and unpaid are stated at invoice amounts. No allowance for doubtful accounts is recorded at December 31, 2017 and December 31, 2016, respectively. Unpaid invoices greater than 90 days old are treated as non-admitted for statutory accounting purposes. Approximately \$25,075 and \$1,970 of receivables greater than 90 days old were non-admitted at December 31, 2017 and December 31, 2016, respectively.

Recognition of Medical and Hospital Expenses - Medical and hospital expenses and the related liabilities are recorded when eligible medical and hospital services are authorized or performed. Claims unpaid represent management's estimate of the ultimate cost to settle all claims incurred prior to year-end.

Physician Group Contracts - The Company contracts with certain physician groups for the provision of medical care and compensates the groups on a capitation basis. These contracts have a pay-for-performance incentive. If the providers meet the incentives, they share in the savings and a payable is recorded. If the providers do not meet the incentives, they share in the excess costs and a health care receivable is recorded if deemed collectible by management. During 2017 and 2016, health care receivables and payables have been recorded from/to providers.

Notes to Financial Statements

Hospital and Other Group Contracts - The Company contracts with several hospitals and other groups. These contracts are paid under a capitation fee or various other charge arrangements.

Malpractice Claims - The Company has a claims-made policy for malpractice insurance. The Company's policy is to accrue for estimated costs of claims and incidents during the term of the claims-made policy.

Employee, Office Space and Equipment Leasing Agreement - The Company has an employee, office space and equipment leasing agreement with Total Health Care, Inc., its parent company, which is responsible for payment of most of the management, operational, and administrative expenses. Ultimate operational control rests with the board of directors of Total Health Care USA, Inc.

Income Taxes - Total Health Care USA, Inc. has received federal income tax exemption under Internal Revenue Code Section 501(c)(4). The Company is also exempt from state and local income taxes.

2. Accounting Changes and Corrections of Errors

None

3. Business Combinations and Goodwill

- a. Statutory Purchase Method- None
- b. Statutory Merger - None
- c. Assumption Reinsurance – None
- d. Impairment Loss – None

4. Discontinued Operations

None

5. Investments

- a. Mortgage Loans, including Mezzanine Real Estate Loans – None
- b. Debt Restructuring – None
- c. Reverse Mortgages – None
- d. Loan-Backed Securities – None
- e. Dollar Repurchase Agreements and/or Securities Lending Transactions – None
- f. Repurchase Agreements Transactions Accounted for as Secured Borrowing –None
- g. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing –None
- h. Repurchase Agreements Transactions Accounted for as a Sale – None
- i. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None
- j. Real Estate – None
- k. Low-income housing tax credits (LIHTC) – None

l. Restricted Assets

(1) Restricted Assets (Including Pledged)

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted from Prior Year	Increase/(Decrease) (1 minus 2)	Total Current Year Admitted Assets	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Assets

Notes to Financial Statements

a. Subject to contractual obligation for which liability is not shown	\$	\$	\$	\$	%	%
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
e. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i..FHLB capital stock						
j. On deposit with states	1,002,337	1,003,540	(1,203)	1,002,337	1.48%	1.48%
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB(including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	\$ 1,002,337	\$ 1,003,540	\$ (1,203)	\$ 1,002,337	1.48%	1.48%

(2) Detail of Assets Pledged as Collateral Not Captured in Other Categories – None

(3) Detail of Other Restricted Assets – None

m. Working Capital Finance Investments - None

n. Offsetting and Netting of Assets and Liabilities - None

o. Structured Notes – Notes

p. 5* Securities – None

q. Short Sales –None

r. Prepayment Penalty and Acceleration Fees --None

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Company does not have any Joint Ventures, Partnerships and Limited Liability Companies that exceed 10% of the admitted assets.

B. The Company does not have any impaired Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

Notes to Financial Statements

- a. All investment income due and accrued with amounts that are over 90 days past due with the exception of mortgage loans in default are excluded from surplus.
- b. The Company had no investment income due and accrued excluded from surplus.

8. Derivative Instruments

None

9. Income Taxes

None

10. Information Concerning Parent, Subsidiaries and Affiliates

a, b, & c

The Company is a wholly owned subsidiary of Total Health Care, Inc., the parent company.

d. **Amounts Due for or to Related Parties** – At December 31, 2017 and December 31, 2016, the Company had amounts due from(to) parent of \$69 and \$16,200 respectively, resulting from costs paid for the Company on behalf of the parent for operating expenses.

e. **Guarantees** – The Company has no guarantees with any companies within its holding company structure.

f. **Material Employee, Office Space and Equipment Leasing Agreement** – The Company has an employee, office space and equipment leasing agreement with Total Health Care, Inc. The agreement calls for Total Health Care, Inc. to provide personnel, office space, and supplies necessary to the Company in order for the Company to carry out its HMO business operations. The agreement calls for the Company to pay Total Health Care, Inc. 12-13 percent of the Company's gross revenue from the second preceding month after certain deductions. During 2017 and 2016 the Company paid \$17,780,638 and \$16,657,762, respectively, related to this agreement.

g. **Common Control** – All outstanding shares of Total Health Care USA, Inc. are owned by the Parent Company, Total Health Care, Inc, an insurance holding company domiciled in the State of Michigan.

h. **Deductions in Value** - There have been no deductions in value between affiliated companies.

i. **SCA that exceed 10% of Admitted Assets** - None

j. **Impaired SCAs** - The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled, or Affiliated Companies during the statement period.

k. **Foreign Subsidiary** - None

l. **Downstream Noninsurance Holding Company** – None

m. **All SCA Investments** – None

n. **Investment in Insurance SCAs** - None

11. Debt

None

12. Retirement Plans, Deferred Compensation, Post-Employment Benefits, Compensated Absences and other Postretirement Benefit Plans.

a.- d. Defined Benefit Plan – None

e. Defined Contribution Plans – None.

f. Multi-Employer Plan – None

Notes to Financial Statements

g. Consolidated/Holding Company Plans – None

h. Post-Employment Benefits and Compensated Absences – None

i. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17) – None

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

(1) The Company has issued no capital stock.

(2) The Company has no preferred stock outstanding.

(3) Dividends are paid as determined by the Board of Directors with the approval of the Commissioner of the State of Michigan Office of Insurance Regulation, as long as the Company meets or exceeds minimum surplus requirements.

(4) During 2017 the Company did not pay dividends.

(5) Within the limitations of (3) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

(6) There were no restrictions placed on the Company's surplus, including for whom the surplus is being paid.

(7) The Company has no advances to surplus not repaid.

(8) The Company held no stock.

(9) There were no changes to the balances of any special surplus funds from the prior year.

(10) Portion of unassigned funds represented or reduced by unrealized gains or losses is \$0. The portion of unassigned funds (surplus) represented or reduced by the change in non-admitted asset values is \$449,203 and \$(220,004) at December 31, 2017 and December 31, 2016, respectively.

(11) The Company did not issue any surplus debentures or similar obligations.

(12) and (13) There have been no quasi-reorganizations.

14. Liabilities, Contingencies and Assessments

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation and other matters are not considered material in relation to the financial position of the Company. No amounts have been accrued for losses as no losses are deemed probable or estimable. Estimated losses for claims-related matters are accrued as claims unpaid.

a. Contingent Commitments – None

b. Assessments – None

c. Gain Contingencies – None

d. Claims related extra contractual obligations and bad faith losses stemming from lawsuits – None

e. Joint and Several Liabilities – None

f. All Other Contingencies – There are no balances of assets covered by SSAP No. 6, Uncollected Premium Balances, Bills Receivable for Premiums, and Amounts Due From Agents and Brokers, SSAP No. 47, Uninsured Plans, or SSAP No. 66, Retrospectively Rated Contracts.

15. Leases

None

16. Information about Financial Instruments with off-balance sheet risk and financial instruments with concentrations of credit risk.

Notes to Financial Statements

None

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.

- a. Transfers of Receivables reported as Sales – None
- b. Transfer and Servicing of Financial Assets – None
- c. Wash Sales – None

18. Gain or Loss to the Reporting Entity from Uninsured A & H Plans and the Uninsured Portion of Partially Insured Plans.

- a. ASO Plans – None
- b. ASC Plans – None.
- c. Medicare or Other Similarly Structured Cost Based Reimbursement Contract - None

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators.

None

20. Fair Value Measurements

The following table presents information about the Company’s assets and liabilities measured at fair value at December 31, 2017, and the valuation techniques used by the Company to determine those fair values.

In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based in the lowest level input that is significant to the valuation. The Company’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The fair value of bonds was determined primarily based on level 2 inputs. The Company obtains the fair value of these investments based on values determined and provided by the investment custodians.

A. (1) Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)		(Level 2)		(Level 3)		Total	
a. Assets at Fair Value								
Perpetual Preferred Stock								
Industrial and Misc	\$	-	\$	-	\$	-	\$	-
Parent, Subsidiaries and Affiliates		-		-		-		-
Total Perpetual Preferred Stocks	\$	-	\$	-	\$	-	\$	-
Bonds								
U.S. Governments	\$	-	\$	-	\$	-	\$	-
Industrial and Misc		-		1,002,337		-		1,002,337
Hybrid Securities		-		-		-		-
Parent, Subsidiaries and Affiliates		-		-		-		-
Total Bonds	\$	-	\$	1,002,337	\$	-	\$	1,002,337
Common Stock								
Industrial and Misc	\$	-	\$	-	\$	-	\$	-

Notes to Financial Statements

Parent, Subsidiaries and Affiliates	-	-	-	-
Total Common Stocks	\$ -	\$ -	\$ -	\$ -
Derivative Assets				
Interest Rate Contracts	\$ -	\$ -	\$ -	\$ -
Foreign Exchange Contracts	-	-	-	-
Credit Contracts	-	-	-	-
Commodity Futures Contracts	-	-	-	-
Commodity Forward Contracts	-	-	-	-
Total Derivatives	\$ -	\$ -	\$ -	\$ -
Separate Account Assets	\$ -	\$ -	\$ -	\$ -
Total Assets at Fair Value	\$ -	\$ 1,002,337	\$ -	\$ 1,002,337
b. Liabilities at Fair Value				
Derivative Liabilities	\$ -	\$ -	\$ -	\$ -
Total Liabilities at Fair Value	\$ -	\$ -	\$ -	\$ -

(2) Fair Value Measurements in (Level 3) of the Fair Value - None

(3) The Company’s policy for determining when transfers between levels are recognized is determined at the end of the reporting period.

(4) The Company has not valued any securities at a Level 3.

(5) Derivative assets and liabilities- None

B. N/A

C. Aggregate Fair Value for all Financial Instruments

Type of Financial Instrument	Aggregate Fair Value		Admitted Assets		Level 1	Level 2	Level 3	Not Practicable (Carrying Value)
Bonds	\$	1,002,337	\$	1,002,337	\$ -	\$ 1,002,337	\$ -	\$ -
Cash		-		-	-	-	-	-
Short Term Certificates of Deposit		-		-	-	-	-	-
Money Market Funds		-		-	-	-	-	-
Totals	\$	1,002,337	\$	1,002,337	\$ -	\$ 1,002,337	\$ -	\$ -

D. Not Practicable to Estimate Fair Value – N/A

21. Other Items

a. Extraordinary Items – None

b. Troubled Debt Restructuring – None

Notes to Financial Statements

c. Other Disclosures and Unusual Items – Funds Maintained Under Statutory Requirements - The Company maintains segregated funds under statutory requirements to protect members and health care providers in the event the Company is unable to meet its contractual obligations. These funds can be issued only at the direction of the insurance commissioner in accordance with statutory and contractual provisions. At December 31, 2017 and December 31, 2016, \$1,002,337 and \$1,003,540, respectively were held in long-term certificates of deposit and money market funds to fulfill these requirements. Interest earned on these funds can be utilized by the Company.

At December 31, 2017 and December 31, 2016, respectively the Company had admitted assets of \$1,700,533 and \$1,666,010, respectively, in health premiums due and unpaid for amounts due from subscribers, governmental entities, and other health care providers. The Company routinely assessed the collectability of these receivables and directly wrote off any uncollectible receivables accordingly. Receivables greater than 90 days are considered non-admitted for statutory purposes.

d. Business Interruption Insurance Recoveries - None

e. State Transferable and Non-transferable Tax Credits - None

f. Subprime Mortgage Related Risk Exposure – None

g. Retained Assets – None

h. Insurance-Linked Securities (ILS) Contracts - None

22. Events Subsequent

Type I. – Recognized Subsequent Events –

Subsequent events have been considered through 02/26/2018 for the statutory statement issued on December 31, 2017.

None

Type II. – Non-recognized Subsequent Events –

Subsequent events have been considered through 02/26/2018 for the statutory statement issued on December 31, 2017.

On January 1, 2018, the Company will be subject to an annual fee under section 9010 of the Affordable care Act (ACA) after a one year CMS reprieve. This annual fee will be allocated to individual health insurers based on the ratio of the amount of the entity’s net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity’s portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1 of the year the fee is due. As of December 31, 2017, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2018, and estimates their portion of the annual health insurance industry fee to be payable on September 30, 2018 to be \$1,712,053. This amount is reflected in special surplus. This assessment is expected to impact risk based capital by 3.73%. Reporting the ACA assessment as of December 31, 2017 would not have triggered an RBC action level.

	Current Year	Prior Year
A. ACA fee assessment payable for the upcoming year	\$ 1,712,053	\$ 0
B. ACA fee assessment paid	\$ 0	\$ 1,108,614
C. Premium written subject to ACA 9010 assessment	\$ 53,604,895	\$ 0
D. Total Adjusted Capital before surplus adjustment	\$ 45,839,950	\$ 29,917,375
E. Authorized Control Level before surplus adjustment	\$ 4,515,683	\$ 4,570,039
F. Total Adjusted Capital after surplus adjustment	\$ 44,127,897	\$ 29,917,375
G. Authorized Control Level after surplus adjustment	\$ 4,515,683	\$ 4,570,039
H. Would reporting the ACA assessment as of Dec. 31, 2017 trigger an RBC action level? (YES/NO)	No	No

23. Reinsurance

A. Ceded Reinsurance Report

Notes to Financial Statements

Section 1 – General Interrogatories

(1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes () No (x)

(2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes () No (x)

Section 2 – Ceded Reinsurance Report – Part A

(1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes () No (x)

a. Not Applicable

b. The Company had reinsurance recoverable receivables of \$286,786 and \$91,587 recorded at December 31, 2017 and December 31, 2016, respectively. In addition, the Company had \$80,296 and \$589,564 in ACA transitional reinsurance recoverable receivables recorded at December 31, 2017 and December 31, 2016, respectively for a total of \$367,082 and \$681,151 receivable at December 31, 2017 and December 31, 2016, respectively.

(2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes () No (x)

Section 3 – Ceded Reinsurance Report – Part B

(1) The estimated reduction in surplus is zero.

(2) The Company has renewed an agreement with Star Line Group effective November 1, 2016. The reinsurance policy provides the same coverage's on an annual per member basis after a \$300,000 (Commercial-Group) or \$300,000 (Commercial-Individual) deductible is reached. The maximum lifetime reinsurance indemnity payable under each agreement is \$2,000,000 per member. The reinsurance policy also provides for a supplemental corridor adjustment to reinsurance recoverable applied with the lower of: 1) 50% of reinsurance premiums paid, or 2) the amount by which reinsurance recoverable exceed 50% of the reinsurance premiums paid.

B. Uncollectible Reinsurance – None

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination

A. The Company estimates accrued retrospective premium adjustments for its group health insurance business through a mathematical approach using an algorithm of the company's underwriting rules and experience rating practices.

B. The Company records accrued retrospective premium as an adjustment to earned premium.

Notes to Financial Statements

C. The amount of net premiums written by the Company at December 31, 2017 that are subject to retrospective rating features was \$149,961,343 that represented 100% of the total net premiums written. No other net premiums written by the Company are subject to retrospective rating features.

D. At December 31, 2017, the Company had medical loss ratio rebates of \$3,964,189. At December 31, 2016, the Company had medical loss ratio rebates of \$897,095 required pursuant to the Public Health Service Act. At December 31, 2017 the actual 2016 rebate amounts were \$1,019,507.

	Individual	Small Group Employer	Large Group Employer	Other Categories with Rebates	Total
Prior Reporting Year					
(1) Medical loss ratio rebates incurred	-	897,095	-	-	897,095
(2) Medical loss ratio rebates paid	-	-	-	-	-
(3) Medical loss ratio rebates unpaid	-	897,095	-	-	897,095
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	XXX
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	XXX
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	XXX
Current Reporting Year-to-Date					
(1) Medical loss ratio rebates incurred	-	2,675,323	1,411,278	-	4,086,601
(2) Medical loss ratio rebates paid	-	1,019,507	-	-	1,019,507
(3) Medical loss ratio rebates unpaid	-	2,552,911	1,411,278	-	3,964,189
(4) Plus reinsurance assumed amounts	XXX	XXX	XXX	XXX	XXX
(5) Less reinsurance ceded amounts	XXX	XXX	XXX	XXX	XXX
(6) Rebates unpaid net of reinsurance	XXX	XXX	XXX	XXX	3,964,189

E. Risk Sharing Provisions of the Affordable Care Act

(1) Did the reporting entity write accident and health insurance premiums which is subject to the Affordable Care Act risk sharing provisions (YES/NO)? **YES**

The Company recorded \$(468,000) and \$759,000 and \$(1,303,132) and \$517,000 (receivable)/due for the risk adjustment program estimates at December 31, 2017 and December 31, 2016, respectively. The Company recorded \$2,470,000 due for the risk corridors program estimate at December 31, 2016. The Risk Corridor program is no longer in effect in 2017. During the period ended December 31, 2017 the actual 2016 risk adjustment amount was determined to be a receivable of \$3,316,099 and the actual 2016 risk corridor amount was determined to be a payable of \$2,047,580.

(2) Impact of Risk Sharing Provisions of the Affordable Care Act on Admitted Assets, Liabilities and Revenue for the Current Year

a. Permanent ACA Risk Adjustment Program	December 31,	
	December 31, 2017	December 31, 2016
Assets	Amount	Amount
1. Premium adjustments receivable due to ACA Risk Adjustment	\$ 589,310	\$ 1,303,132
Liabilities		

Notes to Financial Statements

2. Risk adjustment user fees payable for ACA Risk Adjustment	\$	22,053	\$	20,804
3. Premium adjustments payable due to ACA Risk Adjustment	\$	759,000	\$	517,000
Operations (Revenue & Expenses)				
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment	\$	2,371,145	\$	6,534,625
5. Reported in expenses as ACA risk adjustment user fees (incurred/Paid)	\$	22,053	\$	20,284

b. Transitional ACA Reinsurance Program

Assets				
1. Amount recoverable for claims paid due to ACA Reinsurance	\$	-	\$	425,000
2. Amount recoverable for claims unpaid due to ACA Reinsurance (Contra Liability)	\$	-	\$	-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance	\$	-	\$	-
Liabilities				
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium	\$	-	\$	179,248
5. Ceded reinsurance premiums payable due to ACA Reinsurance	\$	-	\$	-
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance	\$	-	\$	-
Operations (Revenue & Expenses)				
7. Ceded reinsurance premiums due to ACA Reinsurance	\$	-	\$	(120,909)
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments	\$	60,493	\$	247,390
9. ACA Reinsurance contributions - not reported as ceded premium	\$	-	\$	779,582

c. Temporary ACA Risk Corridors Program

Assets				
1. Accrued retrospective premiums due to ACA Risk Corridors	\$	-	\$	-
Liabilities				
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors	\$	-	\$	2,470,000
Operations (Revenue & Expenses)				
3. Effect of ACA Risk Corridors on net premium income (paid/received)	\$	422,420	\$	(1,697,163)
4. Effect of ACA Risk Corridors on change in reserves for rate credits	\$	-	\$	-

(3) Roll forward of prior year ACA risk sharing provisions for the following asset (gross of any nonadmission) and liability balances along with the reasons for adjustments to prior year balance.

	Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
					Prior Year Accrued Less Payments (Col 1-3)	Prior Year Accrued Less Payments (Col 2-4)				Cummulative Balance from Prior years (Col 1-3+7)	Cummulative Balance from Prior years (Col 2-4+8)
	<u>1</u> <u>Receivable</u>	<u>2</u> <u>(Payable)</u>	<u>3</u> <u>Receivable</u>	<u>4</u> <u>(Payable)</u>	<u>5</u> <u>Receivable</u>	<u>6</u> <u>(Payable)</u>	<u>7</u> <u>Receivable</u>	<u>8</u> <u>(Payable)</u>	<u>R</u> <u>e</u> <u>f</u>	<u>9</u> <u>Receivable</u>	<u>10</u> <u>(Payable)</u>
a. Permanent ACA Risk Adjustment Program											
1. Premium adjustments receivable	1,171,000	-	3,316,099	-	(2,145,099)	-	2,145,099	-	A	-	-
2. Premium adjustments (payable)	-	(517,000)	-	-	-	(517,000)	-	517,000	B	-	-
3. Subtotal ACA Permanent											
Risk Adjustment Program	1,171,000	(517,000)	3,316,099	-	(2,145,099)	(517,000)	2,145,099	517,000	-	-	-

Notes to Financial Statements

b. Transitional ACA Reinsurance Program											
1. Amounts recoverable for											
claims paid	425,000	-	393,467	-	31,533	-	48,763	-	C	80,296	-
2. Amounts recoverable for claimsunpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-
3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premiums	-	(178,248)	-	(178,248)	-	-	-	-	F	-	-
5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-
6. Liability for amounts held											
uninsured plans	-	-	-	-	-	-	-	-	H	-	-
7. Subtotal ACA Transitional Reinsurance Program	425,000	(178,248)	393,467	(178,248)	31,533	-	48,763	-		80,296	-
c. Temporary ACA Risk Corridors Program											
1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-
2. Reserve for rate credits or policy experience rating refunds	-	(2,470,000)	-	(2,047,580)	-	(422,420)	-	422,420	J	-	-
3. Subtotal ACA Risk Corridors Program	-	(2,470,000)	-	(2,047,580)	-	(422,420)	-	422,420	K	-	-
d. Total for ACA Risk Sharing											
Provisions	\$ 1,596,000	\$ (3,166,248)	\$ 3,709,566	\$ (2,226,828)	\$ (2,113,566)	\$ (939,420)	\$ 2,193,862	\$ 939,420		\$ 80,296	\$ -

Explanations of Adjustments

A) Adjustment based on CMS final results to increase receivable

B) Adjustment based on CMS final results from payable to receivable

C) Adjustment based on CMS final results to increase receivable

D)

E

F)

G)

H

I

J) Adjustment based on effects of changes to RA and TRI,etc and final CMS template amounts

K) Adjustment based on effects of changes to RA and TRI,etc and final CMS template amounts

(4) Roll Forward of ACA Risk Corridor Asset and Liability Balances

Risk Corridors Program Year	Accrued During the Prior Year on Business Written	Received or Paid as of the Current Year on Business	Differences	Adjustments	Unsettled Balances as of the Reporting Date
-----------------------------	---	---	-------------	-------------	---

Notes to Financial Statements

	Before December 31 of the Prior Year		Written Before December 31 of the Prior Year		Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Ref	Cumulative Balance from Prior Years (Col 1–3+7)	Cumulative Balance from Prior Years (Col 2–4+8)
	1	2	3	4	5	6	7	8		9	10
	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)		Receivable	(Payable)
a. 2015											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	A	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$	B	\$	\$ -
b. 2016											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	C	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$ (2,470,000)	\$	\$ (2,047,580)	\$	\$ (422,420)	\$	\$ 422,420	D	\$	\$ -
c. 2017											
1. Accrued retrospective premium	\$	\$	\$	\$	\$	\$	\$	\$	E	\$	\$
2. Reserve for rate credits for policy experience rating refunds	\$	\$	\$	\$	\$	\$	\$	\$ -	F	\$	\$
d. Total for Risk Corridors	\$ -	\$ (2,470,000)	\$ -	\$ (2,047,580)	\$ -	\$ (422,420)	\$ -	\$ 422,420	\$ -	\$ -	\$ -
Explanations of Adjustments											
A)											
B)											
C)											
D)Adj to CMS Risk Corridor due											
E)											
F)											

(5) ACA Risk Corridor Receivable: None

Risk Corridors Program Year	1 Estimated Amount to be Filed or Final Amount Filed with CMS	2 Non-Accrued Amounts for Impairment or Other Reasons	3 Amounts received from CMS	4 Asset Balance (Gross of Non-admissions) (1-2-3)	5 Non-admitted Amount	6 Net Admitted Asset (4-5)
a. 2014	\$	\$	\$	\$	\$	\$
b. 2015	\$	\$	\$	\$	\$	\$
c. 2016	\$	\$	\$	\$	\$	\$
d. Total (a+b+c)	\$	\$	\$	\$	\$	\$

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2016 were \$16,291,478. As of December 31, 2017, \$13,122,815 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$325,647 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a \$2,843,016 favorable prior-year development since December 31, 2016 to December 31, 2017. The decrease is generally

Notes to Financial Statements

the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$2,843,016 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

Reserves as of December 31, 2015 were \$16,718,288. As of December 31, 2016, \$14,789,391 has been paid for incurred claims and claims adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$487,465 as a result of re-estimation of unpaid claims and claim adjustment expenses principally on Comprehensive Medical lines of business. Therefore, there has been a \$1,441,433 favorable prior-year development since December 31, 2015 to December 31, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Included in this decrease, the Company experienced \$1,441,433 of favorable prior year claim development on retrospectively rated policies. However, the business to which it relates is subject to premium adjustments.

26. Intercompany Pooling Arrangements

None

27. Structured Settlements

None

28. Health Care Receivables

The Company reports risk-sharing receivables and payables related to global capitation and specialty claims arrangements based upon the terms of its contracts.

Pharmaceutical rebates receivable at both December 31, 2017 and December 31, 2016 were \$0. Rebates are netted with pharmacy expense. During 2017 and 2016, pharmacy rebates in the amount of \$159,600 and \$0, respectively, were collected.

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Invoiced/ Confirmed	Actual Rebates Collected Within 90 Days of Invoicing/ Confirmation	Actual Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation	Actual Rebates Collected More Than 180 Days After Invoicing/ Confirmation
12/31/17	-	-	-	-	-
9/30/17	-	-	-	-	-
6/30/167	-	-	-	-	-
3/31/17	-	-	-	-	-
12/31/16	-	-	-	-	-
9/30/16	-	-	-	-	-
6/30/16	-	-	-	-	-
3/31/16	-	-	-	-	-
12/31/15	1,568	1,568	1,568	-	-
9/30/15	455	455	455	-	-
6/30/15	668	668	668	-	-
3/31/15	886	886	886	-	-

Health care receivables include the following amounts related to specialty pool receivables:

Notes to Financial Statements

Calendar Year	Evaluation Period Year Ending	Risk-Sharing Receivable as Estimated in the Prior Year	Risk-Sharing Receivable as Estimated in the Current Year	Risk-Sharing Receivable Billed	Risk-Sharing Receivable Not Yet Billed	Actual Risk-Sharing Amounts Received in Year Billed	Actual Risk-Sharing Amounts Received First Year Subsequent	Actual Risk-Sharing Amounts Received Subsequent
2017	2017	\$ 641,320	\$ 49,735	\$ 691,055	\$ -	\$ 691,055	\$ -	\$ -
	2018	\$ -	\$ 635,139	\$ -	\$ 635,139	\$ -	\$ -	\$ -
2016	2016	\$ 611,734	\$ 129,544	\$ 741,278	\$ -	\$ 741,278	\$ -	\$ -
	2017	\$ -	\$ 641,320	\$ -	\$ 641,320	\$ -	\$ -	\$ -
2015	2015	\$ 756,795	\$ (50,181)	\$ 706,614	\$ -	\$ 706,614	\$ -	\$ -
	2016	\$ -	\$ 611,734	\$ -	\$ 611,734	\$ -	\$ -	\$ -

29. Participating Policies

None

30. Premium Deficiency Reserves – No Change

1. Liability carried for premium deficiency reserves

2. Date of the most recent evaluation of this liability

3. Was anticipated investment income utilized?
- \$0

02/26/2018

Yes ☐ No ☒

31. Anticipated Salvage and Subrogation

Loss reserves have not been reduced for any salvage or subrogation. During 2017 and 2016, the Company received subrogation totaling \$167,108 and \$179,262, respectively.

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
- 1.3 State Regulating?

Michigan
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2015
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2015
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/31/2017
- 3.4 By what department or departments?
MICHIGAN DEPARTMENT OF INSURANCE & FINANCIAL SERVICES
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[X] No[] N/A[]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[] N/A[]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business?
4.12 renewals?

Yes[] No[X]
Yes[] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business?
4.22 renewals?

Yes[] No[X]
Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]
- 7.2 If yes,
7.21 State the percentage of foreign control
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

0.000%

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		No	No	No	No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
PLANTE & MORAN, PLLC., 1111 MICHIGAN AVENUE, SUITE 100, EAST LANSING, MI 48823
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]
- 10.2 If response to 10.1 is yes, provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]
- 10.4 If response to 10.3 is yes, provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]
- 10.6 If the response to 10.5 is no or n/a please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Amy R. Giese, Milliman, 15800 Bluemound Road, Suite 100, Brookfield, WI 53005

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

13.3 Have there been any changes made to any of the trust indentures during the year?

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended?

14.21 If the response to 14.2 is yes, provide information related to amendment(s).

14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?
- Yes[X] No[]

Yes[X] No[]

Yes[X] No[]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers

20.12 To stockholders not officers

20.13 Trustees, supreme or grand (Fraternal only)

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers

20.22 To stockholders not officers

20.23 Trustees, supreme or grand (Fraternal only)

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others

21.22 Borrowed from others

21.23 Leased from others

21.24 Other

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment

22.22 Amount paid as expenses

22.23 Other amounts paid

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:
- Yes[] No[X]

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

\$ 0

Yes[] No[X]

\$ 0

\$ 0

\$ 0

\$ 0

Yes[] No[X]

\$ 0

\$ 0

\$ 0

Yes[X] No[]

\$ 69

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

24.02 If no, give full and complete information, relating thereto

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

24.06 If answer to 24.04 is no, report amount of collateral for other programs.

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?
- Yes[X] No[]

Yes[] No[] N/A[X]

\$ 0

\$ 0

Yes[] No[] N/A[X]

Yes[] No[] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[] No[] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ 0

24.103 Total payable for securities lending reported on the liability page.

\$ 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ 0

25.22 Subject to reverse repurchase agreements

\$ 0

25.23 Subject to dollar repurchase agreements

\$ 0

25.24 Subject to reverse dollar repurchase agreements

\$ 0

25.25 Placed under option agreements

\$ 0

25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock

\$ 0

25.27 FHLB Capital Stock

\$ 0

25.28 On deposit with states

\$ 1,002,337

25.29 On deposit with other regulatory bodies

\$ 0

25.30 Pledged as collateral - excluding collateral pledged to an FHLB

\$ 0

25.31 Pledged as collateral to FHLB - including assets backing funding agreements

\$ 0

25.32 Other

\$ 0
- 25.3 For category (25.26) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[] No[] N/A[X]

If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
COMERICA BANK - LYNN HUTZEL-UISEL	611 WOODWARD AVE., DETROIT, MI 48226
.....

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[] No[X]
- 28.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1	2
Name of Firm or Individual	Affiliation
Comerica Securities - Lynn Hutzal-Visel .....	..... U

- 28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?

Yes[X] No[]
- 28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?

Yes[X] No[]
- 28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
17079	Comerica Securities .....	.....	SEC .....	..... DS

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[] No[X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	..... 995,850	..... 995,850	.....
30.2 Preferred stocks .....	.....	.....	.....
30.3 Totals .....	..... 995,850	..... 995,850	.....

30.4 Describe the sources or methods utilized in determining the fair values:
BANK STATEMENTS

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No[] N/A[]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes[] No[X]

32.2 If no, list exceptions:
NOT REQUIRED BY STATE OF DOMICILE

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:

a. Documentation necessary to permit a full credit analysis of the security does not exist.

b. Issuer or obligor is current on all contracted interest and principal payments.

c. The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5*GI securities?

Yes[] No[X]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 0

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....

35.1 Amount of payments for legal expenses, if any?

\$..... 218,947

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Foley & Lardner LLP .....	..... 98,109

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 0

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ 0

1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ 0

1.6 Individual policies - Most current three years:

1.61 TOTAL Premium earned

\$ 0

1.62 TOTAL Incurred claims

\$ 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 TOTAL Premium earned

\$ 0

1.65 TOTAL Incurred claims

\$ 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 TOTAL Premium earned

\$ 0

1.72 TOTAL Incurred claims

\$ 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 TOTAL Premium earned

\$ 0

1.75 TOTAL Incurred claims

\$ 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator	145,253,926	134,440,776
2.2	Premium Denominator	145,253,926	134,440,776
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.000
2.4	Reserve Numerator	15,946,920	19,948,137
2.5	Reserve Denominator	15,946,920	19,948,137
2.6	Reserve Ratio (2.4 / 2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[] No[] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ 500,000

5.32 Medical Only

\$ 0

5.33 Medicare Supplement

\$ 0

5.34 Dental & Vision

\$ 0

5.35 Other Limited Benefit Plan

\$ 0

5.36 Other

\$ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

CATASTROPHIC INSURANCE, LOOK SOLEY LANGUAGE IN CONTRACTS, INSOLVENCY INSURANCE

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 5,253

8.2 Number of providers at end of reporting year

..... 6,674

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ 942,920

10.22 Amount actually paid for year bonuses

\$ 158,090

10.23 Maximum amount payable withholds

..... 0

10.24 Amount actually paid for year withholds

\$ 0

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[] No[X]

11.14 A Mixed Model (combination of above)?

Yes[] No[X]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements?

Yes[X] No[]

11.3 If yes, show the name of the state requiring such minimum capital and surplus.

MICHIGAN

11.4 If yes, show the amount required.

\$ 9,140,078

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[] No[X]

11.6 If the amount is calculated, show the calculation.

Calculation is based on 200% RBC. See RBC calculation.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
OAKLAND
WAYNE
MACOMB
GENESSEE

13.1 Do you act as a custodian for health savings accounts?

Yes[] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ 0

13.3 Do you act as an administrator for health savings accounts?

Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

13.4 If yes, please provide the balance of the funds administered as of the reporting date: \$..... 0

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes[] No[] N/A[X]

14.2 If the answer to 14.1 is yes, please provide the following:

1 Company Name	2 NAIC Company Code	3 Domiciliary Jurisdiction	4 Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)

15.1 Direct Premium Written \$..... 0
15.2 Total incurred claims \$..... 0
15.2 Number of covered lives 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2017	2 2016	3 2015	4 2014	5 2013
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	67,516,890	55,412,146	53,506,048	45,017,760	30,119,280
2. TOTAL Liabilities (Page 3, Line 24)	21,676,940	25,494,771	30,066,823	27,418,692	14,658,673
3. Statutory minimum capital and surplus requirement	9,140,078	9,140,078	9,929,170	10,669,712	8,167,482
4. TOTAL Capital and Surplus (Page 3, Line 33)	45,839,950	29,917,375	23,439,225	17,599,068	15,460,607
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	148,047,491	139,278,238	154,900,981	160,530,730	114,812,450
6. TOTAL Medical and Hospital Expenses (Line 18)	108,046,429	107,693,752	119,381,212	130,028,339	95,851,457
7. Claims adjustment expenses (Line 20)	355,613	333,155	391,486	346,511	259,796
8. TOTAL Administrative Expenses (Line 21)	24,625,098	24,755,105	29,673,983	27,959,122	18,687,950
9. Net underwriting gain (loss) (Line 24)	15,020,351	6,496,226	5,454,300	2,196,758	13,247
10. Net investment gain (loss) (Line 27)	453,021	201,928	82,392	75,790	60,727
11. TOTAL Other Income (Lines 28 plus 29)					
12. Net income or (loss) (Line 32)	15,473,372	6,698,154	5,536,692	2,272,548	73,974
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	12,915,977	3,991,258	7,316,938	13,445,497	2,175,855
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	45,839,950	29,917,375	23,439,225	17,599,068	15,460,607
15. Authorized control level risk-based capital	4,515,984	4,570,039	4,964,585	5,334,856	4,086,375
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	34,348	32,787	40,800	46,245	36,216
17. TOTAL Members Months (Column 6, Line 7)	426,045	401,772	508,841	550,309	390,006
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	73.0	77.3	77.1	81.0	83.5
20. Cost containment expenses	0.2	0.2	0.3	0.2	0.2
21. Other claims adjustment expenses					
22. TOTAL Underwriting Deductions (Line 23)	89.9	95.3	96.5	98.6	100.0
23. TOTAL Underwriting Gain (Loss) (Line 24)	10.1	4.7	3.5	1.4	0.0
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	13,448,461	15,276,856	15,720,784	10,907,818	9,185,060
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	16,064,042	16,485,550	17,366,343	10,230,541	9,577,321
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
ALLOCATED BY STATES AND TERRITORIES

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	145,874,742						145,874,742	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	145,874,742						145,874,742	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a)... 1	145,874,742						145,874,742	

DETAILS OF WRITE-INS										
58001.	X X X									
58002.	X X X									
58003.	X X X									
58998.Summary of remaining write-ins for Line 58 from overflow page	X X X									
58999.TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X									

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.
Explanation of basis of allocation by state, premiums by state, etc.: ALL PREMIUMS ARE WRITTEN WITHIN THE STATE OF MICHIGAN.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

TOTAL HEALTH CARE, INC. – PARENT
38-2018957, NAIC #95644, STATE OF MICHIGAN

TOTAL HEALTH CARE USA, INC. – WHOLLY OWNED SUBSIDIARY OF TOTAL HEALTH CARE, INC.
383240485, NAIC #12326, STATE OF MICHIGAN

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